



m/001/027

August 13, 2001

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program
Department of Natural Resources
Division of Oil, Gas and Mining
State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Wayne:

Enclosed are the RECLAMATION CONTRACT and SURETY BOND ENDORSEMENT for Basin Perlite Company's Pearl Queen Mine. The total bonded amount is \$133,600.00 whereby Kemper increased the surety from \$40,800.00 to \$133,600.00.

Please note the Department refers to the mine as the Pearl Queen Mine. This designation is agreeable to Basin but for operational purposes, we refer to the two mine areas under the permit as the "Pearl Queen Pit" and the "Schoo Pit."

If you or your staff has any questions regarding these reports, please call me at (720) 904-1900.

Very truly yours,

William R. Wilson
President
Basin Perlite Company

CC: Tim Hall – Basin Perlite Company
Jay Gatten – North American Exploration, Inc.

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AUG 16 2001

DIVISION OF
OIL, GAS AND MINING

0034

2160 Republic Plaza - 370 17th Street
Denver, Colorado 80202
(720) 904-1900 (720) 904-1904 Fax

P.O. Box 490, 533 S. Industrial Loop Rd.
Milford, Utah 84751
(435) 387-2100 (435) 387-2403 Fax



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Very truly yours,

A handwritten signature in black ink, appearing to read "W.R. Wilson", is written over a horizontal line.

William R. Wilson
President
Basin Perlite Company

CC: Tim Hall – Basin Perlite Company
Jay Gatten – North American Exploration, Inc.